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Hearing Date and Time: February 14, 2019 at 10:00 a.m.

and

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	)	Case No. 18-23538 (RDD)
Debtors.	)	(Jointly Administered)

**DECLARATION OF KAREN PALMIERI IN SUPPORT OF MOTION  
OF CERTAIN UTILITY COMPANIES TO DETERMINE ADEQUATE ASSURANCE  
OF PAYMENT PURSUANT TO SECTION 366(c) OF THE BANKRUPTCY CODE**

I, Karen Palmieri, declare as follows:

1. I am Manager, Credit and Collections Operations for Eversource Energy Service Company ("Eversource Service"), and I have been Manager, Credit and Collections Operations since May 10, 2015 and have been employed with Eversource Service for over 9 years. In my

current position with Eversource Service, I manage or participate in the management of customer and credit services, including the customer bankruptcy operations, of the following operating companies: Connecticut Light & Power Company (“CL&P”), Public Service Company of New Hampshire (“PSNH”), Yankee Gas Services Company (“Yankee Gas”), NStar Electric Company, Eastern Massachusetts (“NStar East”), and NStar Electric Company, Western Massachusetts (“NStar West”) (collectively, “Eversource”).

2. Except as otherwise stated, all facts contained within this Declaration are based upon personal knowledge, my review of Eversource’s business documents, correspondence and relevant documents, or my opinion based upon my experience concerning the operations of Eversource. If called upon to testify, I would testify to the facts set forth in this Declaration.

3. On behalf of Eversource, I submit this Declaration in support of the *Motion of Certain Utility Companies To Determine Adequate Assurance of Future Payment Motion* (the “Motion”) (Docket No. 1395).

4. In making this Declaration, I am familiar with the contents of the Motion (Docket No. 1395), the *Motion of Debtors Requesting Entry of an Order (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment To Utility Providers, (II) Establishing Procedures For Determining Adequate Assurance of Payment For Future Utility Services, and (III) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Service* (the “Utility Motion”)(Docket No. 196) and the *Order (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment To Utility Providers, (II) Establishing Procedures For Determining Adequate Assurance of Payment For Future Utility Services, and (III) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Service* (the “Utility Order”)(Docket No. 461).

5. It is part of my job responsibility with Eversource to manage: (A) the review of customer accounts with Eversource; (B) the addressing of credit issues with Eversource's customers; and (C) the addressing of issues concerning customers that file for bankruptcy protection, including requests for adequate assurance of payment.

6. Eversource's relationship with the Debtors is governed by the following tariffs that are on file with the applicable state utility commissions, in addition to the following regulations and statutes (collectively, the "Eversource Tariffs"), and can be obtained at:

**CL&P:**

**Tariff Link:**

<https://www.eversource.com/content/ct-c/about/about-us/doing-business-with-us/builders-contractors/interconnections/connecticut-net-metering/connecticut-tariffs-rules>

**Regulations:**

[https://www.ct.gov/pura/cwp/view.asp?a=3365&Q=404120&puraNav\\_GID=1975](https://www.ct.gov/pura/cwp/view.asp?a=3365&Q=404120&puraNav_GID=1975)

**Statute:**

[https://www.cga.ct.gov/current/pub/chap\\_283.htm](https://www.cga.ct.gov/current/pub/chap_283.htm)

**PSNH:**

**Tariff Link:**

<https://www.eversource.com/content/nh/business/my-account/billing-payments/about-your-bill/rates-tariffs/electric-tariffs-rules>

**Regulations:**

<http://www.puc.state.nh.us/Regulatory/Rules/Puc300.PDF>

**Yankee Gas:**

**Tariff Link:**

<https://www.eversource.com/content/ct-c/residential/my-account/billing-payments/about-your-bill/rates-and-tariffs/gas-tariffs-rules>

**Regulations:**

[https://www.ct.gov/pura/cwp/view.asp?a=3365&Q=404120&puraNav\\_GID=1975](https://www.ct.gov/pura/cwp/view.asp?a=3365&Q=404120&puraNav_GID=1975)

**Statute:**

[https://www.cga.ct.gov/current/pub/chap\\_283.htm](https://www.cga.ct.gov/current/pub/chap_283.htm)

**NStar East:**

**Tariff Link:**

<https://www.eversource.com/content/general/about/about-us/doing-business-with-us/builders-contractors/interconnections/massachusetts-net-metering/massachusetts-tariffs-rules>

Regulations:

<https://www.mass.gov/info-details/220-cmr-department-of-public-utilities#220-cmr-17.00---30.00->

NStar West:

Tariff Link:

<https://www.eversource.com/content/wma/business/my-account/billing-payments/about-your-bill/rates-tariffs/electric-tariffs-rules>

Regulations:

<https://www.mass.gov/info-details/220-cmr-department-of-public-utilities#220-cmr-17.00---30.00->

7. The Eversource Tariffs establish: (a) the amount of security that Eversource is entitled to seek from its customers under applicable state law; (b) that Eversource must bill the Debtors monthly; and (c) the billing and payment terms for all of Eversource's customers. Specifically, under the billing cycles established by the Eversource Tariffs, a customer receives approximately one month of utility goods and/or services before Eversource issues a bill for such charges, which is due on presentation. If payment is not made by the time a new monthly bill is generated, a late payment charge at the rate of (CL&P/Yankee Gas = 1.0; NSTAR East = 0.86 - 0.98; NSTAR West = 0.98; PSNH = 1.5) percent per monthly billing period is applied to the account. Service may be terminated upon a customer's failure to pay a bill for utility service within (CL&P/Yankee = 35; NSTAR East = 37; NSTAR West = 37; PSNH = 35) days from the date payment is due, but not until Eversource has provided the customer with written notice that is mailed to the customer's designated mailing address and provides (CL&P/Yankee = 13; NSTAR East = 27; NSTAR West = 27; PSNH = 13) days to cure the payment default. Accordingly, a customer's account will not be terminated for non-payment of bills until at least (CL&P/Yankee = 50; Eastern Massachusetts = 64; Western Massachusetts = 64; PSNH = 57) days after the service is

provided.

8. Eversource provided the Debtors with utility goods and services prior to the Petition Date and continues to provide post-petition utility goods and services to the Debtors at the Debtors' accounts that are listed on the chart attached to this Declaration as **Exhibit "A."** Exhibit A also lists the prepetition losses incurred by each Eversource Company.

9. Pursuant to the Eversource Tariffs, CL&P and Yankee Gas are entitled to seek adequate assurance of payment from the Debtors in the form of a 1.5 month cash deposit, and PSNH, NStar East, and NStar West are entitled to seek adequate assurance in the form of a two-month cash deposit, in the amounts set forth below, which are the amounts that Eversource is seeking from the Debtors in these cases as adequate assurance for the remaining active post-petition accounts that the Debtors have with Eversource:

- A. CL&P - \$144,320 (1.5-month)
- B. PSNH - \$8,040
- C. Yankee Gas - \$25,535 (1.5-month)
- D. NStar East - \$138,717
- E. Nstar West - \$27,475

10. Eversource is seeking the 1.5-month and two-month deposits in this case because:  
(1) of the exposure created by its billing cycle (e.g., bills rendered after customer usage).

11. For its non-bankrupt customers, Eversource accepts security in the form of cash deposits, letters of credit or surety bonds, which are forms of security maintained by Eversource.

12. Although Eversource does not want its post-petition security to be in the form of money maintained in the Adequate Assurance Account, if the Court were to hold that the security provided to Eversource is to be in that form, Eversource would ask that the Utility Order be

amended to include the following additional provisions to ensure that the money held in the Adequate Assurance Account is sufficient in amount and would be available for payment of unpaid post-petition bills:

A. The amount for the Eversource operating companies be increased to the following amounts (i.e., a total of \$344,087), which represent 1.5 or two times (as indicated below) the average monthly bills for the active accounts that the Debtors still have with Eversource:

- i. CL&P - \$144,320 (1.5-month)
- ii. PSNH - \$8,040
- iii. Yankee Gas - \$25,535 (1.5-month)
- iv. NStar East - \$138,717
- v. NStar West - \$27,475

B. The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors after the Debtors' payment in full of all postpetition obligations due and owing to the applicable Utility Provider, which the Debtors shall confirm in writing with the applicable Utility Provider.

C. The Debtors agree to pay all postpetition charges of the Utility Providers by the applicable due date of the invoice, which is a due date established in accordance with applicable state laws, regulations and/or tariffs.

D. If the Debtors fail to pay a utility bill when due (including the passage of any cure period), the relevant Utility Provider shall provide notice of such default to the Debtors, and if within five (5) business days of such notice, the bill is not paid, the Utility Provider may file an application with the Court certifying that payment has not been made and requesting the amount due up to an aggregate maximum equal to the Adequate Assurance Deposit allocable to such

Utility Provider.

E. Notwithstanding anything in the Motion, the Order or (i) the orders approving the Debtors' use of cash collateral and/or post-petition debtor-in-possession financing facilities (collectively, the “DIP Orders”); (ii) the other documentation governing the Debtors' use of cash collateral and postpetition financing facilities; and (iii) the Approved Budget (as defined in the DIP Orders) to the contrary, there shall be no liens on the amounts in the Adequate Assurance Account for the Utility Providers that are higher in priority to the Utility Providers' rights and interests in the amounts contained and allocated in the Adequate Assurance Account for the Utility Providers. Moreover, the amounts contained in the Adequate Assurance Account shall remain available to the Utility Providers for the payment of post-petition charges even if the Debtors cases are converted to cases under Chapter 7 of the Bankruptcy Code.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 5th day of February 2019, at Windsor, Connecticut.

  
\_\_\_\_\_  
Karen A. Palmieri

CL&P					
NAME	ADDRESS	CLAIM AMT. \$	Post Petition Acc # (Last 4)	POST PETITION BALANCE	STANDARD DEPOSIT REQUEST
KMART CORP	595 STRAITS TPKE, WATERTOWN	\$ 13,035.12	0000008008	\$ 7,583.41	\$ 9,980.00
KMART CORP 3216	16 PITKIN RD, VERNON	\$ 14,941.29	0000008037	\$ -	\$ 28,310.00
KMART CORP 4887	100 MAIN ST N, SOUTHBURY	\$ 1,900.25			account closed
SEARS HOLDINGS MANAGEMENT CORP	425 UNION ST UNIT PUMP, WATERBURY	\$ 137.08	0000008001	\$ 75.68	\$ 105.00
SEARS HOLDINGS MANAGEMENT CORP	425 UNION ST, WATERBURY	\$ 10,582.65	0000008023	\$ 9,810.92	\$ 23,025.00
SEARS HOLDINGS MANAGEMENT CORP	29 NORTHRIDGE DR NORTH, WINDHAM	\$ 1,263.63	0000008038	\$ 855.21	\$ 2,295.00
SEARS HOLDINGS MANAGEMENT SITE	90 ELM ST, ENFIELD	\$ 1,724.87	0000008042	\$ 1,388.58	\$ 2,955.00
SEARS HOLDINGS MANAGEMENT SITE	104 ELM ST, ENFIELD	\$ 1,957.56	0000008018	\$ 1,259.63	\$ 2,660.00
SEARS HOLDINGS MANAGEMENT SITE	470 LEWIS AVE, MERIDEN	\$ 2,687.91	0000008028	\$ 981.57	\$ 1,955.00
SEARS HOLDINGS MANAGEMENT SITE	470 LEWIS AVE, MERIDEN	\$ 19,811.48	0000008004	\$ 8,829.51	\$ 14,020.00
SEARS HOLDINGS MANAGEMENT SITE	850 HARTFORD TPKE, WATERFORD	\$ 14,984.46	0000008007	\$ 11,044.78	\$ 18,485.00
SEARS HOLDINGS MANAGEMENT SITE	73 HAMILTON AVE, WATERBURY	\$ 2,952.80	0000008030	\$ 2,378.24	\$ 2,075.00
SEARS HOLDINGS MANAGEMENT SITE	7 BACKUS AVE, DANBURY	\$ 13,834.24	0000008084	\$ 8,040.38	\$ 18,270.00
SEARS HOLDINGS MANAGEMENT SITE	190 BUCKLAND HILLS DR, MANCHESTER	\$ 22,838.57	0000008021	\$ 12,003.14	\$ 18,240.00
SEARS HOLDINGS MANAGEMENT SITE	HOLMES RD, NEWINGTON	\$ 7,368.53	0000008044	\$ 7,443.26	\$ 12,495.00
SEARS HOLDINGS MANAGEMENT SITE	65 HOLMES RD, NEWINGTON	\$ 45.69	0000008063	\$ 44.48	\$ 70.00
SEARS HOME IMPROVEMENT PRODUCT	51 BELAMOSE AVE UNIT D/E, ROCKY HILL	\$ 821.82	0000008045	\$ -	\$ 1,210.00
SEARS HOME IMPROVEMENT PRODUCT	51 BELAMOSE AVE UNIT C, ROCKY HILL	\$ 88.59	0000008019	\$ -	\$ 150.00
Totals		\$ 130,974.54		\$ 71,536.77	\$ 144,320.00

## YANKEE GAS

NAME	ADDRESS	CLAIM AMT. \$	Post Petition Acc # (Last 4)	POST PETITION BALANCE	STANDARD DEPOSIT REQUEST
SEARS, ROEBUCK AND CO.	850 HARTFORD TPKE, WATERFORD	\$ 651.16	0000008040	\$ 2,692.76	\$ 2,940.00
SEARS ROEBUCK & CO ENFIELD SQU	90 ELM ST, ENFIELD	\$ 973.45	0000008027	\$ 1,650.91	\$ 3,880.00
SEARS ROEBUCK CO AUTO CENTER	104 ELM ST, ENFIELD	\$ 591.30	0000008025	\$ 1,592.90	\$ 1,780.00
K MART CORPORATION	100 MAIN ST N, SOUTHBURY	\$ 228.81	0000008037		account closed
SEARS AUTO CENTER	470 LEWIS AVE, MERIDEN	\$ 349.47	0000008010	\$ 403.38	\$ 1,900.00
SEARS DEPARTMENT STORE	470 LEWIS AVE, MERIDEN	\$ 754.91	0000008017	\$ -	\$ 1,985.00
SEARS DEPT STORE	425 UNION ST, WATERBURY	\$ 1,317.28	0000008010	\$ 1,299.81	\$ 4,245.00
SEARS DEPT STORE	7 BACKUS AVE, DANBURY	\$ 1,083.71	0000008054	\$ 2,326.65	\$ 3,430.00
SEARS TBA	375 UNION ST, WATERBURY	\$ 540.20	0000008089	\$ 875.49	\$ 1,600.00
K-MART STORE 7109	595 STRAITS TPKE, WATERTOWN	\$ 1,155.36	0000008012	\$ 2,458.52	\$ 3,815.00
Totals		\$ 7,625.63		\$ 13,400.42	\$ 25,535.00

## NSTAR-WEST

NAME	ADDRESS	CLAIM AMT. \$	Post Petition Acc # (Last 4)	POST PETITION BALANCE	STANDARD DEPOSIT REQUEST
SEARS ROEBUCK & CO SEARS 1093	1585 BOSTON RD, SPRINGFIELD	\$ 13,283.82	0000008065	\$ 7,124.50	\$ 27,475.00
K MART CORPORATION	1345 LIBERTY ST, SPRINGFIELD	\$ 2,624.65			account closed
SEARS INC TWO THREE FOUR THREE A	OLD STATE RD LANESBOROUGH MA 01237	\$ 2,404.85			account closed
Totals		\$ 18,313.32		\$ 7,124.50	\$ 27,475.00

## PSNH



NAME	ADDRESS	CLAIM AMT \$	Post Petition Acc # (Last 4)	POST PETITION BALANCE	STANDARD DEPOSIT REQUEST
SEARS, ROEBUCK & CO.	67 PINE RD BLDG 3 UNIT C, HUDSON	\$ 184.61	0000008032	\$ -	\$1,235.00
SEARS, ROEBUCK & CO.	15 W SWANZEY RD, SWANZEY	\$ 1,388.31	0000008077	\$ (1,388.31)	\$3,245.00
SEARS, ROEBUCK & CO.	529 EASTMAN RD, CONWAY	\$ 6,839.96	0000008037	\$ 723.19	\$1,500.00
SEARS ROEBUCK & CO LPB	50 FOX RUN RD, NEWINGTON	\$ 13,885.78	0000002402	\$ 12,024.09	\$0.00
SEARS ROEBUCK & CO LPB	310 DANIEL WEBSTER HWY, NASHUA	\$ 19,932.50	0000002403	\$ 18,470.09	\$0.00
SEARS ROEBUCK & CO LPB	1500 S WILLOW ST, MANCHESTER	\$ 13,213.99	0000002401	\$ 5,123.75	\$0.00
SEARS ROEBUCK & CO SITE# 00131	0 PINE RD BLDG 3 UNIT D, HUDSON	\$ 292.32	0000008035	\$ -	\$1,105.00
SEARS ROEBUCK & CO SITE# 00132	0 PINE RD BLDG 3 UNIT B, HUDSON	\$ 191.27	0000008064	\$ -	\$855.00
K-MART XI CORP LPB	1267 HOOKSETT RD, HOOKSETT	\$ 13,140.99	0000002601	\$ 10,379.60	\$0.00
K-MART XI CORP LPB	5 MILTON RD, ROCHESTER	\$ 3,457.49	0000002501	\$ -	\$ -
<b>Totals</b>		<b>\$ 72,607.22</b>			<b>\$ 8,040.00</b>

**NSTAR EAST ELECTRIC**

NAME	ADDRESS	CLAIM AMT \$	Post Petition Acc # (Last 4)	POST PETITION BALANCE	STANDARD DEPOSIT REQUEST
KMART	252 MAIN ST SIGN ACTON	\$ 25.59	0000000027	\$ 18.13	\$ -
SEARS ROEBUCK & C 001403	1235 WORCESTER ST NATICK	\$ 140,080.13	0000001016	\$ -	\$ 32,078.00
SEARS ROEBUCK & CO #2373	100 N-DARTM-MALL N DARTMUTH	\$ 7,660.03	0000000041	\$ 17,808.71	\$ 15,023.00
SEARS ROEBUCK & CO 001343	100 CAMBRIDGESIDE PL E CAMBRIDG	\$ 33,235.79	0000000044	\$ (9,918.46)	account closed
SEARS ROEBUCK & CO 002323	769 IYANOUGH RD CC MALL HYANNIS	\$ 9,956.28	0000000043	\$ 8,800.72	\$ 21,611.00
SEARS ROEBUCK & CO 077038	349 UNIVERSITY AVE WESTWOOD	\$ 4,166.38	0000000023	\$ 4,544.73	\$ 7,945.00
K-MART CORP #3040	768 IYANOUGH RD HYANNIS	\$ 14,318.68	0000000052	\$ 26,769.94	\$ 4,106.00
K MART CORP #7104	252 MAIN ST 7104 ACTON	\$ 16,392.76	0000001028	\$ 16,755.55	\$ 8,999.00
K MART CORP	77 MIDDLESEX AVE SOMERVILLE	\$ 39,718.64	0000001029	\$ 27,176.06	\$ 14,112.00
<b>Totals</b>		<b>\$ 265,554.28</b>			<b>\$ 103,874.00</b>

**NSTAR EAST GAS**

NAME	ADDRESS	CLAIM AMT \$	Post Petition Acc # (Last 4)	POST PETITION BALANCE	STANDARD DEPOSIT REQUEST
SEARS AUTO CENTER 001104	601 D-LYNCH BLV D-2 MARLBORO	\$ 42.66	0000000022	\$ 2,077.63	\$ 2,306.00
SEARS ROEBUCK & CO	1000 BOSTON TPK B SHREWSBURY	\$ 27.23	0000000073	\$ (27.23)	\$ 2,895.00
SEARS ROEBUCK & CO 001213	385 SOUTHBRIDGE ST #1 AUBURN	\$ 55.03	0000000026	\$ -	\$ 2,500.00
SEARS ROEBUCK & CO 001104	601 D-LYNCH BLV D-1 MARLBORO	\$ 29.77	0000000038	\$ 3,150.78	\$ 3,224.00
SEARS TIRES BATT 002373	100 N-DARTM-MALL N DARTMUTH	\$ 214.13	0000000027	\$ 3,153.31	\$ 3,717.00
SEARS ROEBUCK & CO 077038	349 UNIVERSITY AVE WESTWOOD	\$ 57.42	0000001083	\$ 1,466.44	\$ 2,196.00
SEARS ROEBUCK & CO 002373	100 N-DARTM-MALL N DARTMUTH	\$ 85.05	0000000042	\$ 5,535.59	\$ 7,324.00
SEARS 001343	100 CAMBRIDGESIDE PL E CAMBRIDGE	\$ 147.64	0000000025	\$ 4,096.18	\$ 3,081.00
SEARS HOME IMPR #54625	385 UNIVERSITY AVE WESTWOOD	\$ 56.05	0000000082	\$ -	\$ 1,136.00
SEARS T B A 001213	385 SOUTHBRIDGE ST #11 AUBURN	\$ 231.68	0000000031	\$ -	\$ 2,881.00
SEARS 001403	1245 WORCESTER ST NATICK	\$ 63.20	0000000025	\$ 3,492.60	\$ 3,583.00
<b>Totals</b>		<b>\$ 1,009.86</b>		<b>\$ 22,945.30</b>	<b>\$ 34,843.00</b>

Yellow = Active Account